
HOUSE BILL No. 1216

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-21.2.

Synopsis: Payments in lieu of property taxes on DNR property. Requires the auditor of state to make a semiannual payment in lieu of property taxes (PILOT) for agricultural land purchased or leased by the department of natural resources after 2001. Allows the legislative body of a county and the board of directors of a conservancy district to collect a PILOT. Provides that for purposes of calculating a PILOT, the land is considered to have an assessed value the same as agricultural land. Makes an annual appropriation from the state general fund for PILOTs.

Effective: Upon passage; January 1, 2002 (retroactive).

Budak, Leuck, Grubb

January 10, 2002, read first time and referred to Committee on Ways and Means.

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Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

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HOUSE BILL No. 1216



A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-21.2 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2002 (RETROACTIVE)]:

4 **Chapter 21.2. Distributions in Lieu of Property Taxes**

5 **Sec. 1. The general assembly finds the following:**

- 6 (1) That the tax base of counties and certain special taxing
- 7 districts has been significantly eroded through the acquisition
- 8 by the department of natural resources of farmland that was
- 9 originally subject to property taxation.
- 10 (2) That the acquisition of farmland by the department of
- 11 natural resources is inconsistent with farmland preservation
- 12 and protection goals of the state.
- 13 (3) That to prevent further reduction in farmland acreage in
- 14 Indiana, the erosion of the tax base, and to provide a proper
- 15 allocation of the cost of providing governmental services, the
- 16 following are authorized to collect payments in lieu of taxes
- 17 from the department of natural resources:



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- (A) The legislative body of a county.
- (B) The board of directors of a conservancy district established under IC 14-33-2.

Sec. 2. As used in this chapter, "PILOT" refers to a payment in lieu of taxes.

Sec. 3. The auditor of state shall make a PILOT on May 1 and November 1 of each year with respect to land that:

- (1) was coded and assessed as agricultural land under rules of the state board of tax commissioners (before the board was abolished) as of March 1, 2001;
- (2) was acquired by the department of natural resources after December 31, 2001;
- (3) was owned by or leased by the department of natural resources on March 1 of the previous year; and
- (4) is subject to an exemption from property taxes.

Sec. 4. The PILOT paid under section 3 of this chapter equals the amount of property taxes that would have been imposed upon the land described in section 3 of this chapter using an assessed value computed as if the land were agricultural, regardless of how the land is used by the department of natural resources.

Sec. 5. (a) A PILOT:

- (1) is billed;
- (2) is due;
- (3) bears interest if unpaid;
- (4) is subject to penalty if unpaid; and
- (5) is distributed to political subdivisions within a county;

in the same manner as ad valorem taxes on property.

(b) A PILOT:

- (1) is not eligible for the property tax replacement credit under IC 6-1.1-21; and
- (2) except as provided in subsection (a), is not treated as a property tax for purposes of other procedural and substantive provisions of law.

Sec. 6. Not later than April 1 of each year, the auditor of state shall provide the township assessor of each township in which land described in section 3 of this chapter is located with a report of:

- (1) the location of land described in section 3 of this chapter that is located in the township;
- (2) the acreage of the land identified under subdivision (1); and
- (3) any other information required by the department of local government finance.

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1 **Sec. 7. (a) The department of local government finance shall**
 2 **prescribe a form for the transfer of information required under**
 3 **section 6 of this chapter.**

4 **(b) The department of local government finance may adopt**
 5 **standards for the transfer of information under section 6 of this**
 6 **chapter that is necessary to assist townships, counties, and**
 7 **conservancy districts with the implementation of this chapter.**

8 **(c) With the consent of the department of local government**
 9 **finance, the auditor of state may distribute the information**
 10 **required under section 6 of this chapter in an electronic format.**

11 **Sec. 8. (a) The PILOT transfer account within the state general**
 12 **fund is established for the purpose of accounting for the**
 13 **distributions made under section 3 of this chapter for payments**
 14 **from the department of natural resources in lieu of property taxes.**
 15 **The account is to be administered by the auditor of state.**

16 **(b) Expenses of administering the account are to be paid from**
 17 **money in the account.**

18 **(c) There is annually appropriated from the state general fund**
 19 **to the PILOT transfer account the amount necessary to make the**
 20 **distributions required by this chapter.**

21 **SECTION 2. [EFFECTIVE UPON PASSAGE] (a)**
 22 **Notwithstanding IC 6-1.1-21.2, as added by this act:**

23 **(1) a PILOT (as defined in IC 6-1.1-21.2-2, as added by this**
 24 **act) is initially due for property taxes first due and payable**
 25 **after December 31, 2002; and**

26 **(2) the auditor of state shall provide to the township assessor**
 27 **the information required under IC 6-1.1-21.2-6, as added by**
 28 **this act, not later than August 1, 2002.**

29 **(b) In cooperation with the auditor of state, the department of**
 30 **local government finance shall prescribe, not later than July 1,**
 31 **2002, a form for the auditor of state to report the information**
 32 **needed to carry out IC 6-1.1-21.2-6, as added by this act.**

33 **(c) This SECTION expires December 31, 2003.**

34 **SECTION 3. An emergency is declared for this act.**

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